



# Interoperability in Action: Enhancing Prior Authorization & Optimizing Efficiency with the CMS Final Rule

March 2024





# This Is All About Interoperability and the Data That Rides the Rails



- To be successful with your transformation to **FHIR API Technology**, you must have a well-documented strategy and execution roadmap
- How will you handle Interoperability needs such as:
  - *Clinical Data Exchange?*
  - *Price Transparency?*
  - *Social Determinants of Health?*
  - *Patient Data Redirection?*
  - *Value-based Care?*



## Speakers



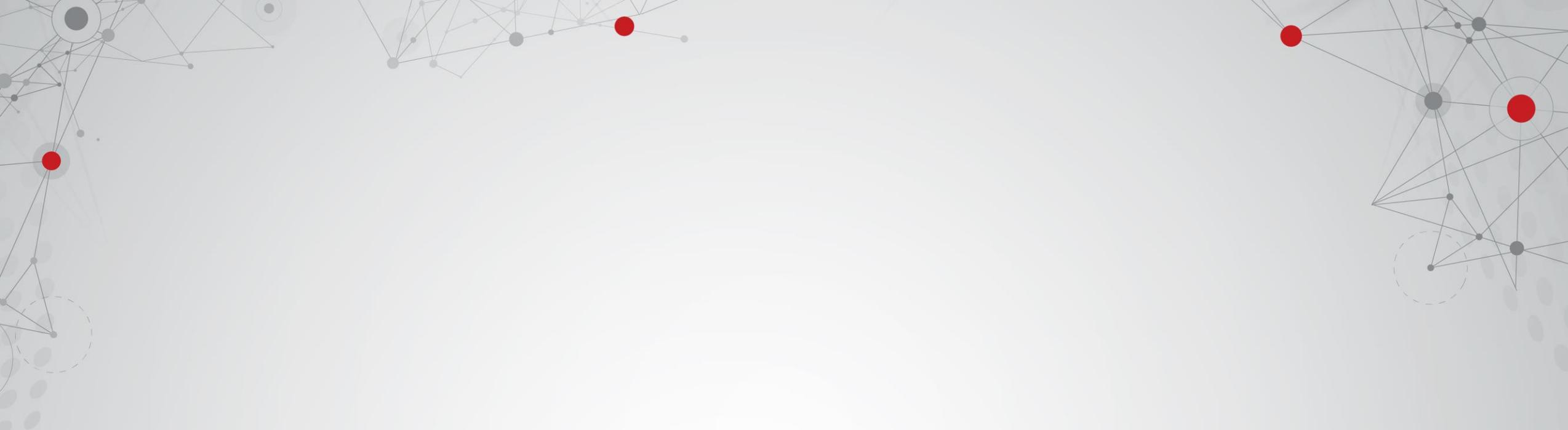
### **Kim Boyd**

Senior Consultant  
RRC Lead,  
Interoperability Outlook Editor  
CodeX PA Coordinator  
NCPDP Board of Trustees



### **Jocelyn Keegan**

Payer/Provider Practice Lead &  
HL7 Da Vinci Program  
Manager



# **Improving Interoperability & Advancing Prior Authorization**

## **The Final Rule**



## Who Is Impacted by the Final Rule?

The final rule affirms mandates for payers, focusing on enhancing the electronic exchange of healthcare data and simplifying prior authorization procedures.

These mandates reinforce the use of Fast Healthcare Interoperability Resource (FHIR) standards to facilitate data access, use and exchange of clinical and administrative data to implement new and evolving electronic prior authorization systems.

### Impacted Payers

- Medicare Advantage organizations
- Medicaid managed care plans
- State Medicaid fee-for-service agencies
- Children's Health Insurance Program (CHIP) agencies
- Managed care organizations
- Prepaid inpatient health plans
- Prepaid ambulatory health plans
- CHIP managed care entities
- Issuers of Qualified Health Plans on the federally facilitated exchanges

### Providers

- Eligible hospitals and critical access hospitals in the Medicare Promoting Interoperability Program
- Merit-Based Incentive Payment System (MIPS) eligible clinicians

### Exempted

- FFS Medicare
- Medicare supplemental insurance policies
- Stand-alone dental plans
- Issuers of Qualified Health Plans that offer only small business health options program exchanges (FF-SHOPs)
- State-based exchanges on the federal platform



# Final Rule Requirements for Payers

- Patient Access API
  - Provider Access API (New)
  - Payer-to-Payer API (New)
  - Prior Authorization API (New)
  - Improving Prior Authorization Processes
- Adjudicated claims, encounters (with capitated providers) and clinical data (including labs) from be made available – Patient Access API
  - Prior authorization data and mandates reporting to CMS on patient usage metrics – Patient Access API
  - FHIR API for sharing data among in-network or enrolled providers – Provider Access API
  - Development of attribution process to associate patients with providers – Provider Access API
  - Plain language patient and provider education and resources – Provider Access API and Payer-to-Payer API
- FHIR API for exchanging data when a patient changes health plans – Payer-to-Payer API
  - FHIR API for automating and streamlining the prior authorization process – Prior Authorization API
  - Public reporting - full list of services and items requiring prior auth and aggregated metrics on approvals, denials, and review timelines
  - May use updated version of a required standard in accordance with ONC Standards Version Advancement Process (SVAP)
  - Reduction of prior authorization decision timeframes to 72 hours expedited and 7 days standard turnaround (1/1/26)\*

\*For majority of programs



## Final Rule Provisions for Providers

### New Measure (Electronic Prior Authorization)

- HIE objective – MIPS Promoting Interoperability Performance Category
- Medicare Promoting Interoperability Program (PIP)

- Yes or No Attestation – to at least one (1) electronic prior authorization via Prior Authorization API, using data from CEHRT
- Measure reporting period
  - CY 2027 performance period/2029 payment year – MIPS-eligible clinicians
  - CY 2027 EHR reporting period for eligible hospitals and CAHs
- Non-Reporting consequences
- Use of Provider Access API (not mandated)
- Access to provider education resources provided by payers

*CMS intends to reassess the measure criteria and reporting structure in future years, particularly as the Prior Authorization API becomes more widely adopted*



# CMS – Prior Authorization API HIPAA 278 Related Exception

IF CMS FINAL RULE (0057-F)  
**DOES APPLY** TO YOU



FHIR only • FHIR + X12 278

IF CMS FINAL RULE (0057-F) **DOES NOT  
APPLY** TO YOU AND YOU ARE A HIPAA  
Covered Entity

COVERED ENTITY  
UNDER HIPAA



FHIR only • FHIR + X12 278  
or  
X12 278 only

*This enforcement discretion **permits efficient use FHIR or FHIR + X12 278***





## **CMS – Prior Authorization API Exclusion**



### **The Policies for Prior Authorization APIs and Processes**

**Do Not Apply to Drugs of any Type**

Examples:

Self-Administered Prescription Drugs

Administered by a Provider

Dispensed or Administered in a Pharmacy or Hospital

*Expect CMS, through future rulemaking, to address improvements to the prior authorization process for drugs*

# CMS – Required FHIR Standards and IGs

## API INTEROPERABILITY STANDARDS

STANDARDS	PATIENT ACCESS API	PROVIDER ACCESS API	PROVIDER DIRECTORY API	PAYER-TO-PAYER API	PRIOR AUTHORIZATION API
USCDI at 45 CFR 170.213 (V3)	M	M		M	
FHIR Release 4.0.1	M	M	M	M	M
HL7 FHIR U.S. Core IG STU 3.1.1	M	M	M	M	M
HL7 SMART APP Launch Framework IG 1.0.0	M	M	M	M	M
HL7 FHIR Bulk Access (Flat FHIR) IG v 1.0.0 STU 1		M		M	
OpenID Connect Core 1.0	M	M	M	M	M

### KEY:

-  Mandated
-  Recommended
-  N/A

## IMPLEMENTATION GUIDES (IGs) BY API

IMPLEMENTATION GUIDE	PATIENT ACCESS API	PROVIDER ACCESS API	PROVIDER DIRECTORY API	PAYER-TO-PAYER API	PRIOR AUTHORIZATION API
CARIN for Blue Button IG Version STU 1.1.0	R	R		R	
Da Vinci PDex IG Version STU 1.0.0	R	R		R	
Da Vinci PDex U.S. Drug Formulary IG Version STU 1.1.0	R	R		R	
Da Vinci PDex Plan Net IG Version STU 1.1.0			R		
Da Vinci Payer Coverage Decision Exchange (PCDE) IG Version STU 1.0.0				R	
Da Vinci Prior Authorization Support (PAS) IG Version STU 1.1.0					R
Da Vinci Coverage Requirements Discovery (CRD) IG Version STU 1.0.0					R
Da Vinci Documentation Templates/Rules (DTR) IG Version STU 1.0.0					R



## Future Rulemaking Considerations

There are several forward-looking statements in the rule that indicate future areas of possible information gathering and rulemaking. Specifically:



### HIPAA PA TRANSACTIONS

- Commitment to Evaluation of HIPAA PA Transaction Standards
- Improve Healthcare Interoperability
- Consideration of Industry Implications



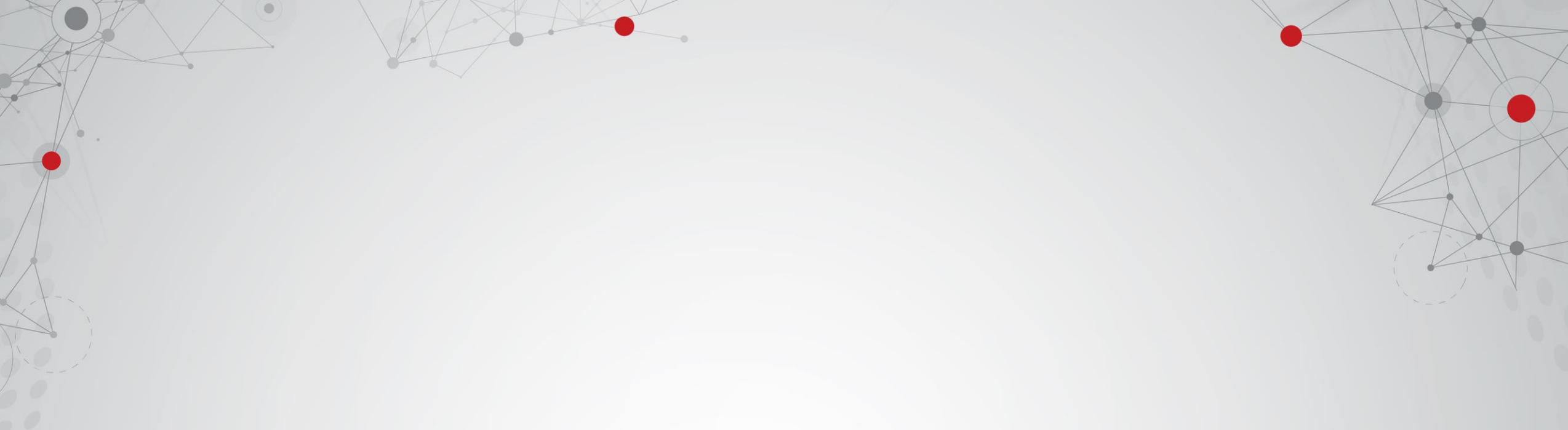
### PRIOR AUTHORIZATION FOR MEDICATIONS

- Current Rule's Stance on Drugs
- Acknowledging Confusion and Complexity
- Future Clarity on Medical Benefit Drugs
- Anticipating Future Integration



### NATIONAL DIRECTORY OF HEALTHCARE PROVIDERS & SERVICES

- CMS and TEFCA
- Endpoint Directory
- Exploring NDH Implementation
- Enhancing Interoperability
- Supporting Key Use Cases



# **Strategic Insights for Business Transformation**

# What We Are Doing Isn't New

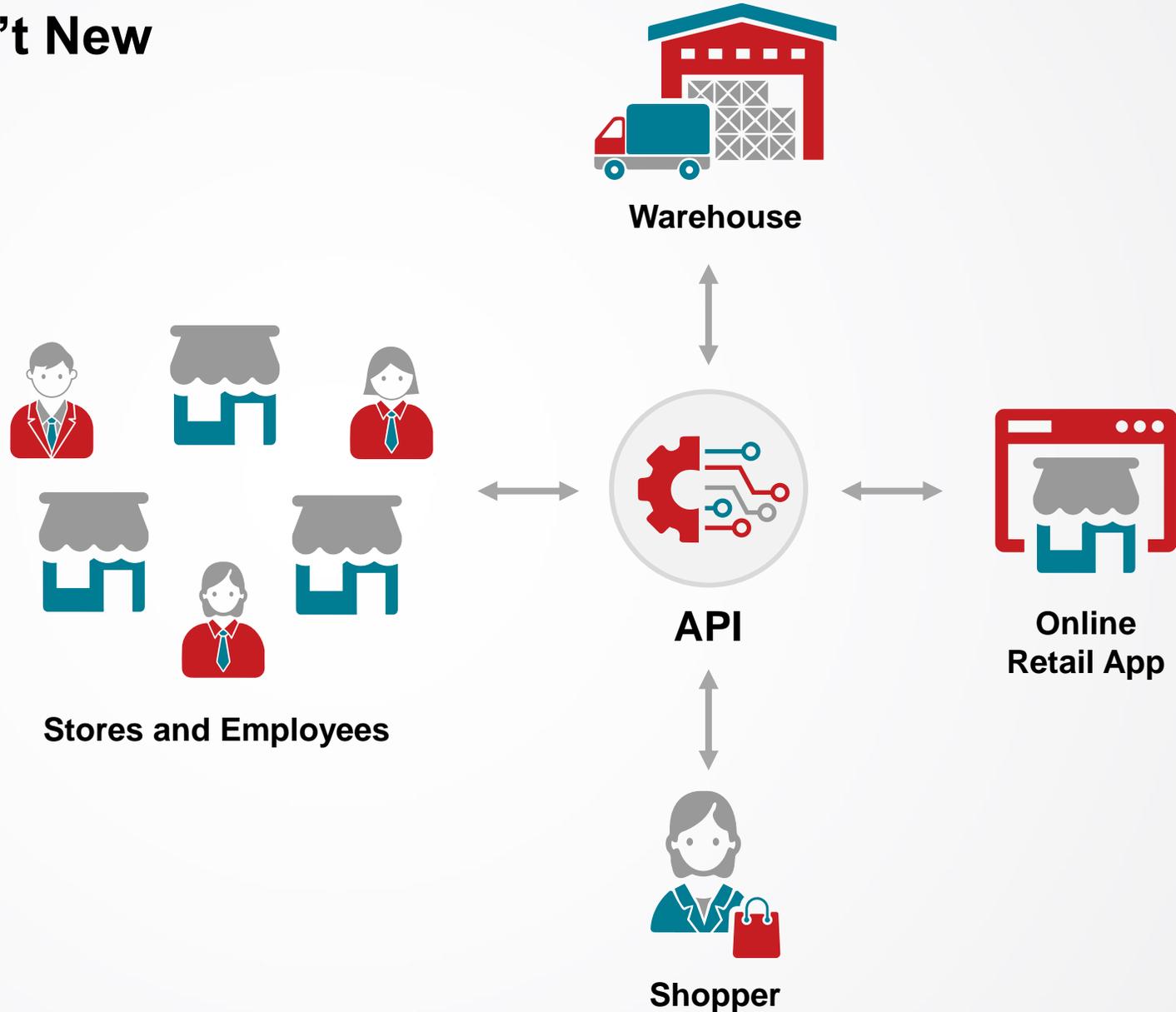
Same tools used to

Shop Online

Used inside Store  
Employees

Allow warehouses to give  
real time updates

Surface goods to search  
engines



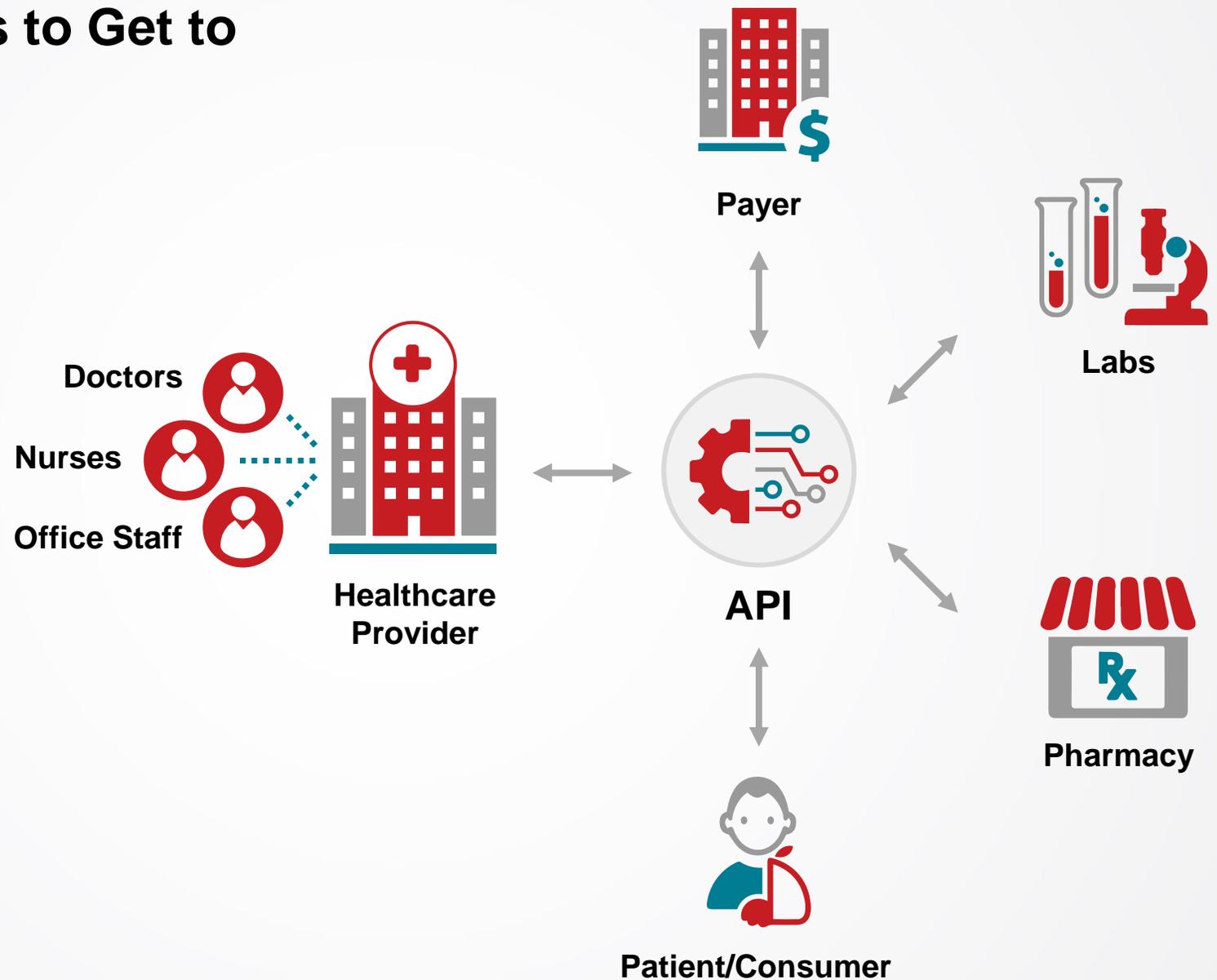
# Breaking Down Silos to Get to the Speed of Life

Shift to APIs enables right minimal data, at the right time to the right partner

In or outside your organizational walls

In the workflow where you need, when it is actionable

Standards make it scalable



# Business Transformation at Hand



Improve Quality and Outcomes by improving care in workflow vs historical reporting



Identify and Improve Outreach to At Risk Patients



Reducing Burden or Automating Prior Auth



Creating Transparency on Benefits and Coverage to Members and Providers



Scale the Ability to Share this information to internal and partners at the right time to make it actionable



Breaking down barriers to access and removing bias to improve equity in care



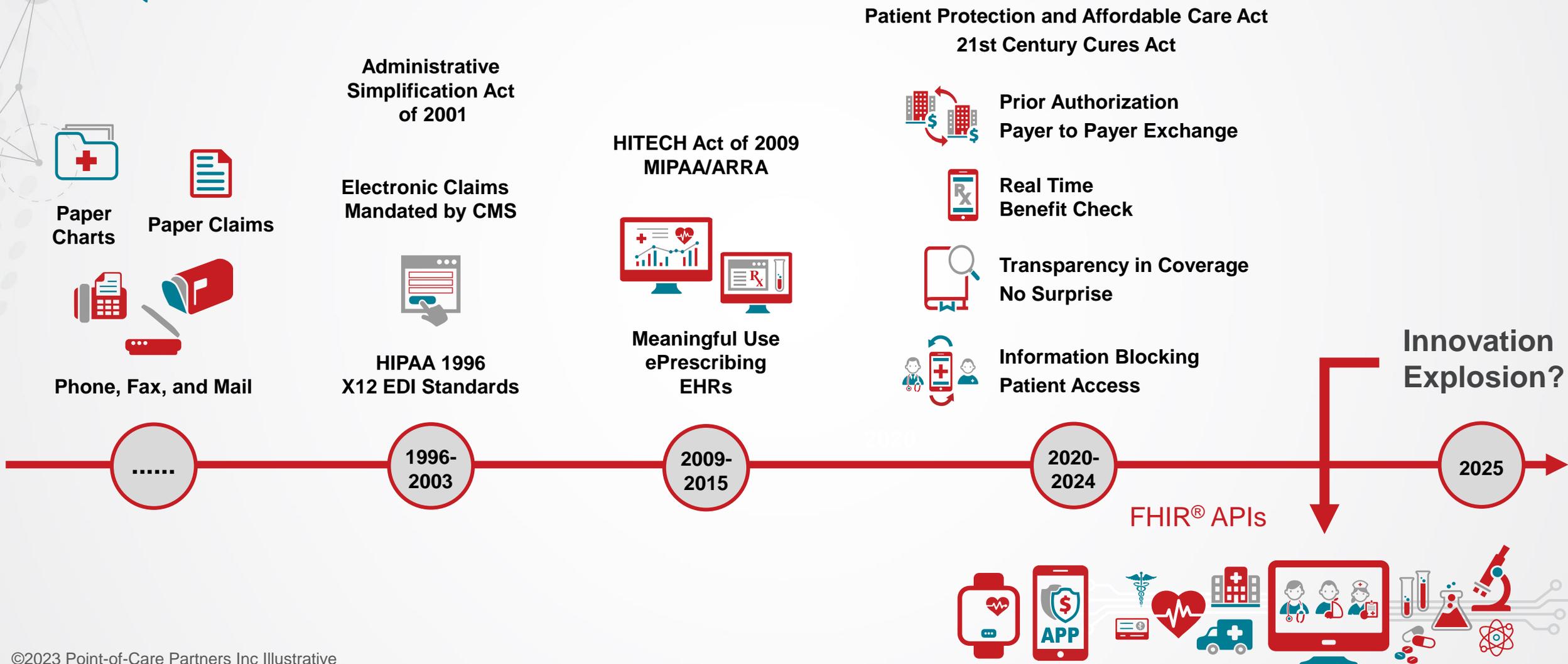
Enabling patients to control and manage their own data



Ensure capture incentives for the care provided

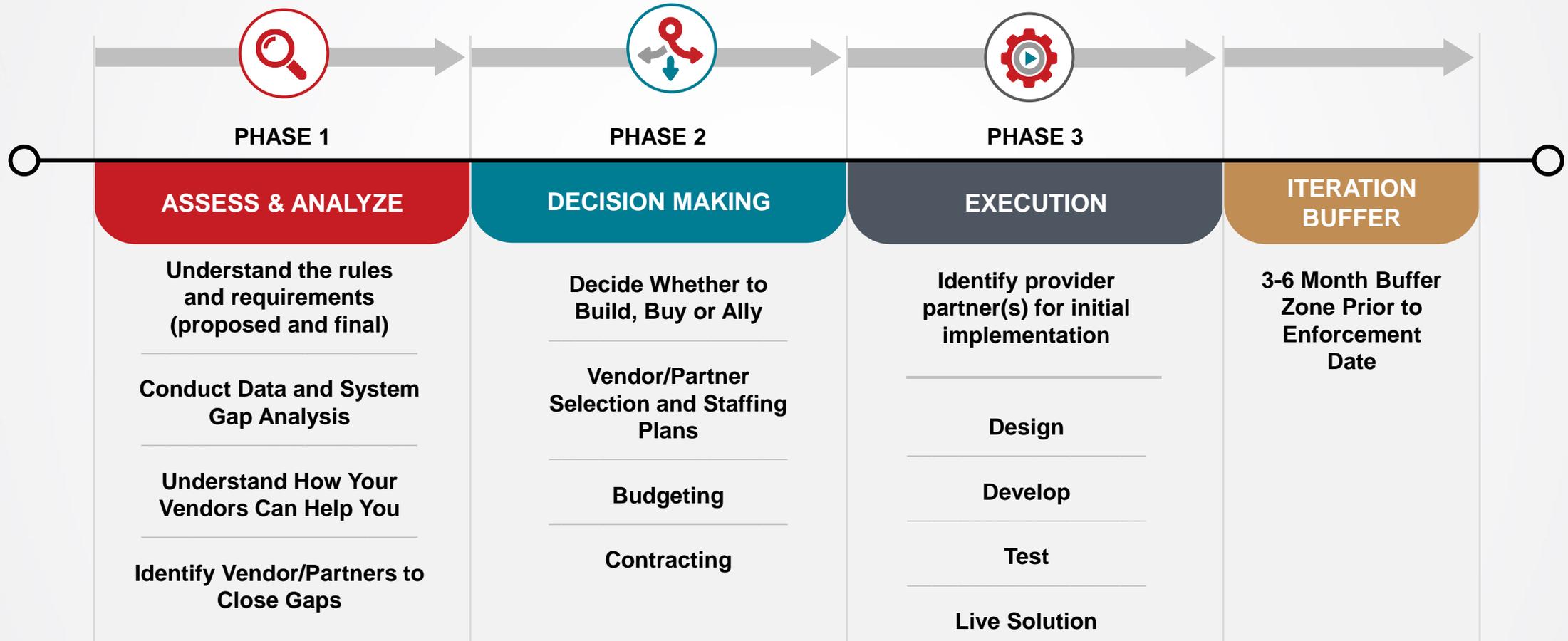


# Vision for the Healthcare API Economy





# Compliance Timeline



*Duration will vary based on complexity and readiness*



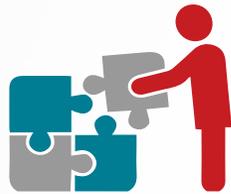
# Understand Your Strategic Approach to Interoperability

## Leader & Innovator



- Well defined enterprise strategy
- Push the boundaries
- Invest human resources in visibility and thought leadership
- Willing to invest
- Long term goals
- Highly tolerant of risk

## Strategic Positioner



- Well defined enterprise strategy
- Willing to invest
- Long term goals
- Moderate tolerance for risk

## Cautious Follower



- Follow the market
- Cost conscious
- Mid-term goals
- Risk adverse

## Box Checker



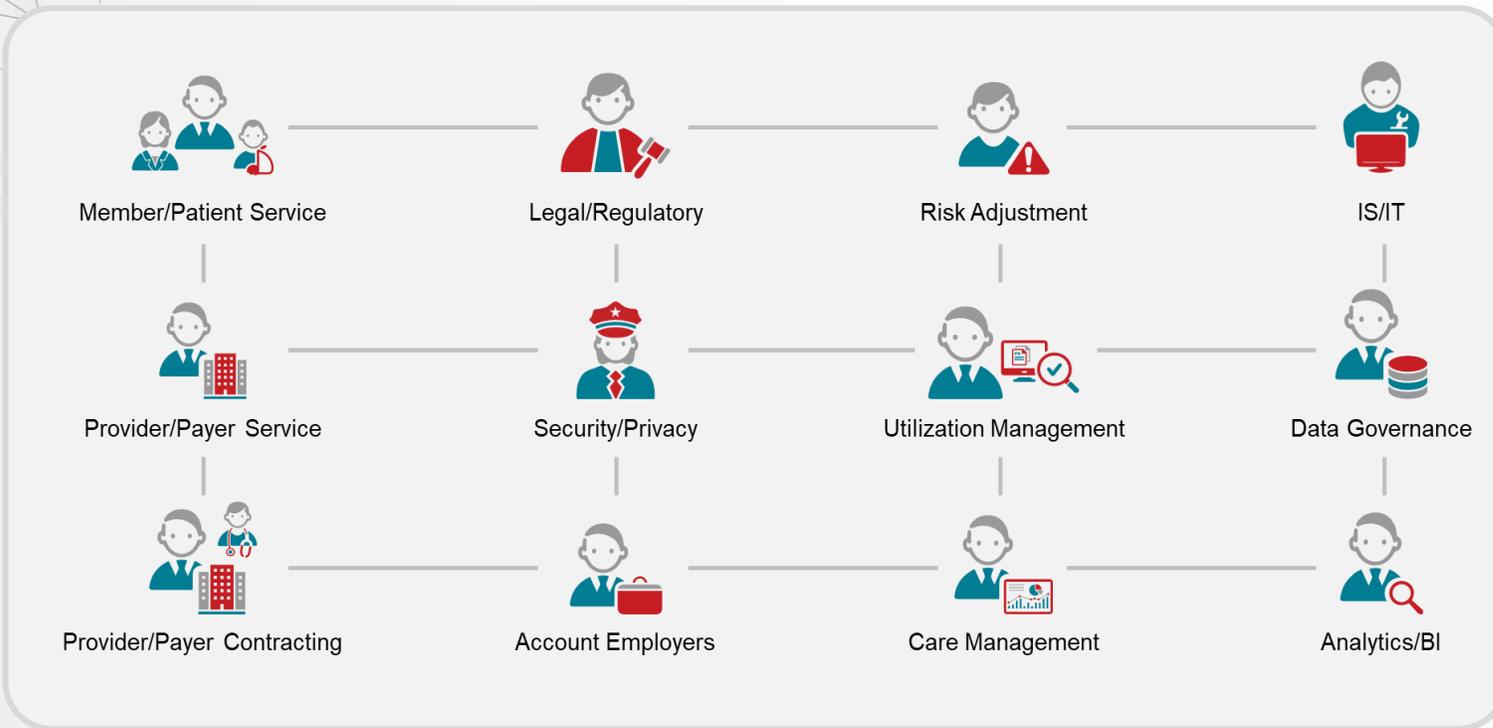
- Minimum necessary
- Least cost
- Short term goal
- Highly risk adverse



# It Takes a Team

## Interoperability Has Enterprise Impact

### INTERNAL STAKEHOLDERS AND PARTICIPANTS



## Requires External Expertise

### EXTERNAL





# Who Is Point-of-Care Partners?

We Are THE Nation's Leading Data Standards and Interoperability Consultants



## Who We Are...

- **National, virtual, consultancy** since 2002 (35+ states, 110+ Associates) focusing on healthcare Interoperability across the Payer, Delivery, Health IT Vendor, HIE, Government, and Pharma ecosystem
- We possess a comprehensive staff of widely respected national experts, with most Associates having > **15-25 years** experience in the Interoperability field
- Engaged and leadership roles with **Standards bodies and Accelerators** across the Interoperability spectrum, including HL7, HIMSS, Da Vinci, CARIN, NCPDP, and numerous others



## What We Do...

Leading interoperability subject experts working on projects such as:

- Strategy and value engagements for national and regional payers
- Interoperability roadmaps (establishing and adjusting)
- The launch and growth of numerous HIEs
- Development of standards and strategy for implementation
- Automations of Prior Authorization, Patient Cost and Benefits, Specialty Medications, Enrollment

Program, Project Management and use case lead role(s) across **Da Vinci**, CARIN, CodeX and FHIR at Scale Taskforce (**FAST**) and other cross-functional industry projects

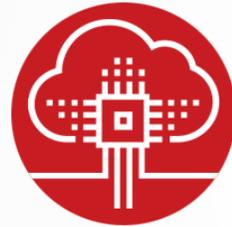
# Thank You

**Brian Dwyer**

[brian.dwyer@pocp.com](mailto:brian.dwyer@pocp.com)

**Kim Boyd**

[kim.boyd@pocp.com](mailto:kim.boyd@pocp.com)



Learn about our **Interoperability Outlook Subscription Service**

<https://bit.ly/interop-outlook>



[www.pocp.com](http://www.pocp.com)



@pocpHIT



Point-of-Care Partners



[www.pocp.com/blog](http://www.pocp.com/blog)